

Reasonable, Reliable, Rural and
You Own It!



**OTZ Telephone
Cooperative, Inc.**

2012 Annual Report

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**"Whether we're
meeting decision
makers in Washington
or listening to your
concerns, it's all a
part of delivering
reasonable rates
and reliable service
from a rural-focused
company —
that's yours!"**

LETTER to Members

May 5, 2012

Dear OTZ Members:

First, we want to thank all our members for trusting your telecommunications services to us here at OTZ. We're proud to serve you! I want to thank the staff at OTZ for all of their hard work. One thing that I really appreciate about the staff at OTZ is that they all really do have that "can do" attitude.

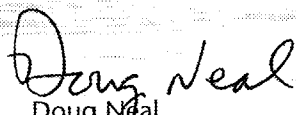
This past summer, we completed the first phase of an outside plant rebuild in Ambler and, providing that funding is available, plan to finish the project this summer. This past year, we also installed central office switches in Kotzebue and Ambler. We also completed the buildout of a WIFI network in Kotzebue, which allows anyone with a wireless device to access the Internet from just about anywhere in Kotzebue.

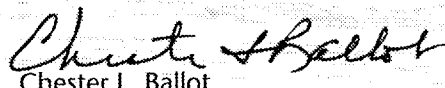
With the closeout of a loan through Rural Utilities Services, we will be building out cellular phone service to the rest of the region. While we continue to work to update services and infrastructure, we're also working hard in Washington, D.C. — trying to educate the folks at the FCC about the realities of providing service to communities in rural Alaska. We are now ramping up our efforts to amend the reformation act and to protect rural Alaskans.

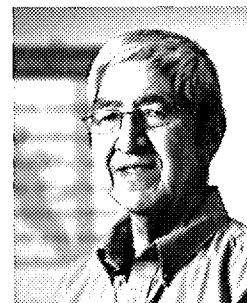
Whether we're meeting decision makers in Washington or listening to your concerns, it's all a part of delivering reasonable rates and reliable service from a rural-focused company — *that's yours!*

We look forward to serving you for many years to come.

Sincerely,


Doug Neal
CEO


Chester L. Ballot
President



**Chester L. Ballot,
OTZ President**



**Doug Neal,
OTZ CEO**

Highlights

Major 2012 Achievements

- Increased Kotzebue DSL upload speeds and doubled monthly data transfer amounts.
- Installed and turned up new landline switch in Kotzebue and Ambler.
- Upgraded aerial cable plant in Kotzebue's Turf Street area.
- Built WIFI network covering Kotzebue.

On the Horizon for 2013

- Four cell switch installations (Kiana, Noatak, Kivalina, Buckland), including towers.
- Ambler plant rebuild.
- Upgrades to our central offices.
- Various upgrades to cable plant throughout each site.



Suzan Howarth texts her kids to see if they are doing their homework.

Office of Native Affairs Policy

- OTZ participated in regional Tribal Council meetings, where we listened to members, shared OTZ Wireless build out plans, and explored ways to work together.

2012 Zonna Lie-Ito OTZ Scholarships

Total: \$1,500 per year

Many congratulations to our 2012 scholarship recipients! Each of these scholars will receive \$1,500 per year as a full-time student as long as he or she maintains a GPA of 2.0 or higher. The winners are...

- **Christina D. Fields, Kotzebue High School**
(Highline Community College, Des Moines, WA)
- **Colton T. Jessup, Kotzebue High School**
(University of Alaska Anchorage, AK)
- **Grant M. Magdanz, Kotzebue High School**
(University of Washington, Seattle, WA)
- **Jerome T. McCall, Kotzebue High School**
(University of Alaska Anchorage, AK)

Donations and Sponsorship

During 2012, OTZ provided courtesy cell phones to local organizations. OTZ Telecommunications donated to Kotzebue's Youth League. Finally, throughout the year we sent goodie bags filled with useful give a ways to all the surrounding communities for Spring Clean Up and Fourth of July Celebrations.



Easter & Dan Henry Sr. call long distance on a regular landline to their grandchildren living in Palmer.

LeAnn Schaeffer shows Margaret Hadley her new apps on her Samsung Galaxy SIII.

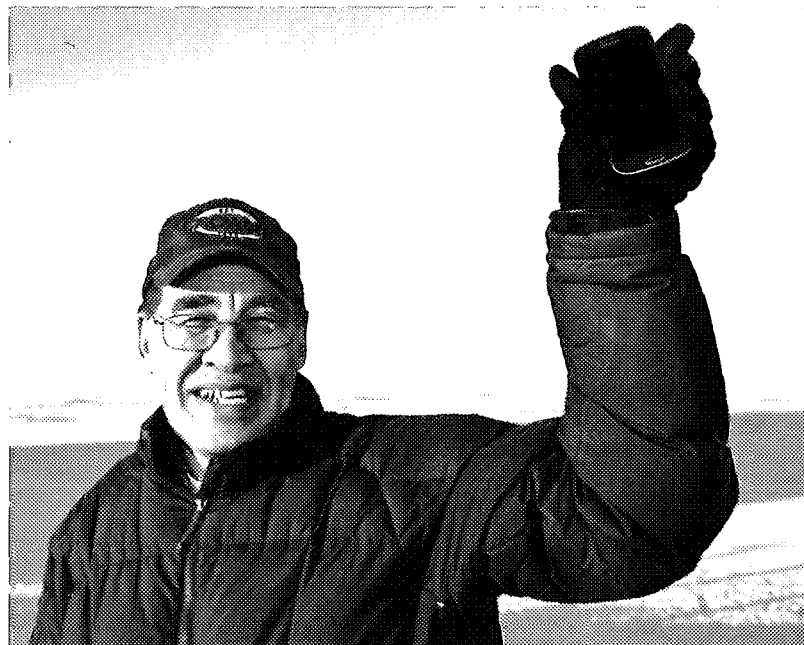


Rural

The Northwest Arctic is home to rugged, resourceful individuals who need a telecommunications company that understands and can meet their unique needs. Our technological infrastructure allows us to provide a full range of telecommunications services to our customers in remote rural communities. We have recruited a local team of customer service reps, based in Kotzebue, who regularly travel to the villages. We hire these great people so when you contact us you talk to folks who understand your lifestyle, know your community and are familiar with your needs.

You Own It!

As a member, we hope you feel proud of being part of a cooperative that invests in communities throughout the Northwest Arctic, reflects the Iñupiaq values of respect, cooperation and responsibility to each other in our customer service and the many ways we strive to give back. This year we donated free phones to a number of local businesses and organizations (including Maniilaq, Aqqaluk Trust, Northwest Arctic Borough, KOTZ Radio, NANA and the City and Tribe of Kotzebue, Selawik and Noorvik). We continued our scholarship program and awarded scholarships to four outstanding Kotzebue High School graduates.



Lee Stalker shows off his new cell phone from OTZ Cellular.

OTZ Telephone Cooperative, Inc. and Subsidiary Employees

Chandra Abeyratne
Vernon Adams
Harold Ahwinona
Andrew Baldwin
Harry Baldwin
Bruce Barr
Melford Booth
Culum Campbell

Brian Cleveland
Verne Cleveland
Shaun Conwell
Caleb Crossan
Shawn Curtis
Isaac Douglas
Hadley Ferguson
Phyllis Ferguson

Cindy Fields
Danny Foster
Sean Hoffman
Mark Iten
Gary Jackson
Wilbur Karmun
Harold Lambert
Donna McConnell

Lucy Mae McConnell
Jason Nantelle
Doug Neal
Grace Norton
Ben Phillips
Malinda Reich
Brenda Schaeffer
LeAnn Schaeffer

Dan Schultz
Ann Sieh
Don Smith
Rudy Thomas
Margie Ubben
Carl Weisner
Ricky Wells

OTZ Telephone Cooperative, Inc. Directors



Chester L. Ballot,
President
Dist. 6: Kotzebue



Jane Cleveland,
Vice President
Dist. 1: Ambler,
Kobuk, Shungnak



Gordon Newlin,
Secretary/Treasurer
Dist. 2: Kiana,
Noorvik, Selawik



Marie N. Greene,
Director
Dist. 5: Kotzebue



Larry D. Jones,
Director
Dist. 4: Kivalina,
Noatak, Red Dog

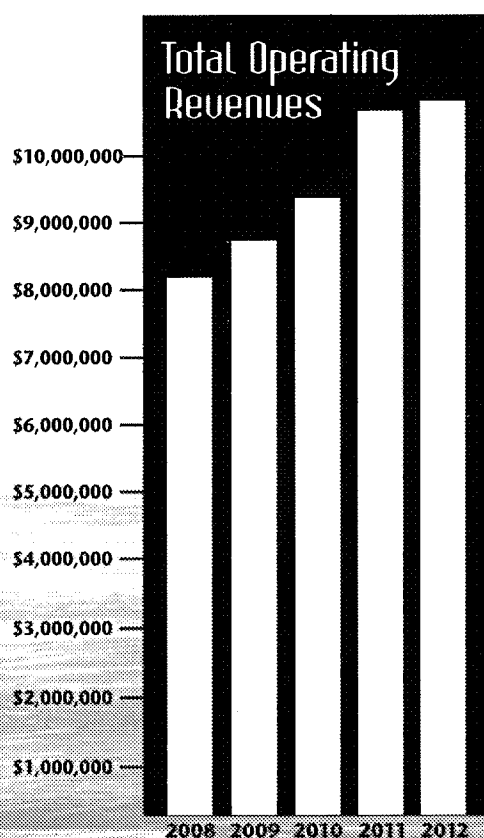


Eunice Hadley,
Director
Dist. 3: Buckland,
Deering



Lucy S. Nelson,
Director
Dist. 7: Kotzebue

OTZ TELEPHONE COOPERATIVE, INC. and SUBSIDIARY
Consolidated Balance Sheets
December 31, 2012 and 2011



Assets	2012	2011
Current assets:		
Cash	\$ 1,002,286	692,879
Accounts receivable, less allowance for doubtful accounts of zero	1,156,131	1,260,972
Materials and supplies	448,379	386,556
Prepaid expenses	92,978	168,561
Total current assets	2,699,774	2,508,968
Other assets and investments:		
Other investments	523,616	649,035
Deferred income taxes, net	-	164,400
Restricted cash	17,896	232,165
Total other assets and investments	541,512	1,045,600
Property, plant, and equipment:		
In service	31,293,268	29,899,808
Under construction	1,560,111	1,376,125
	32,853,379	31,275,933
Less accumulated depreciation	19,045,872	17,515,770
Property, plant, and equipment, net	13,807,507	13,760,163
	<u>\$ 17,048,793</u>	<u>17,314,731</u>

Liabilities and Members' Equity	2012	2011
Current liabilities:		
Current portion of long-term debt	\$ 1,375,200	1,131,900
Line of credit	1,500,000	1,500,000
Accounts payable and accrued expenses	663,080	1,221,246
Customer deposits	51,732	54,439
Advanced billing	60,074	59,700
Total current liabilities	3,650,086	3,967,285
Long-term debt, net of current portion	7,547,412	7,709,600
Deferred credits	17,896	232,165
Unclaimed capital credits	296,233	296,233
Members' equity:		
Memberships	7,660	8,470
Patronage capital	5,529,506	5,100,978
Total members' equity	5,537,166	5,109,448
	<u>\$ 17,048,793</u>	<u>17,314,731</u>



Margie Ubben shares a laugh with longtime OTZ member Judith N. Stein.

OTZ TELEPHONE COOPERATIVE, INC. and SUBSIDIARY
Consolidated Statements of Operations
December 31, 2012 and 2011

	2012	2011
Operating revenues:		
Local network	\$ 913,157	1,009,772
Network access	7,748,903	7,297,628
Billing and collection, directory, and other	58,905	38,785
Equipment sales and leases	312,767	356,490
OTZ Telecommunications	1,398,556	1,715,396
Total operating revenues	10,432,288	10,418,071
Operating expenses:		
Plant specific	2,636,357	2,457,279
Plant nonspecific	580,941	569,250
Depreciation	1,575,468	1,475,952
Customer	306,959	346,639
Corporate	1,577,313	1,519,906
Operating taxes	107,805	126,942
Equipment sales and leases	417,411	383,912
OTZ Telecommunications	1,725,261	1,755,772
General and administrative	488,076	458,452
Total operating expenses	9,415,591	9,094,104
Operating margin	1,016,697	1,323,967
Other income (expense):		
Interest and dividend income	5,971	6,255
Interest expense	(465,418)	(500,640)
Income tax expense	(185,554)	(340,000)
Other gains, net	56,832	77,634
Total other income (expense)	(588,169)	(756,751)
Net margin	\$ 428,528	567,216

A complete copy of the consolidated financial statements audited by Mikunda, Cottrell & Co., Inc. may be seen during regular office hours at: OTZ Telephone Cooperative, Inc., Kotzebue, Alaska.

ANNUAL MEETING MINUTES
OTZ TELEPHONE COOPERATIVE, INC.
May 16, 2012

I. Call to Order

At 7:00 p.m. on May 16, 2012, Board President, Chester L. Ballot, called to order the 37th Annual Meeting of the OTZ Telephone Cooperative, Inc.

He commented that members should have a copy of the agenda and annual report, and informed the members that we were live on KOTZ Radio.

II. Invocation

Chester requested that Jane Cleveland give the invocation. Jane led a moment of silence and the prayer.

III. Determination of Quorum

It was determined that with more than 50 members in attendance a quorum was established. At that time Grace Norton, Cindy Fields and Margie Ubben yelled, "Yes we do!"

IV. Early Bird Drawing

After an explanation of how the raffle was going to be run, Ann Sieh, Brenda Schaeffer and Carl Weisner conducted the early bird drawing. The first draw was attendee Grace Downey who picked a digital answering system with a base keypad and drew mail-in winner Douglas & Cynthia Fields of Kotzebue. Telcom attendee, Warren J. Karmun, picked a Stanley Stainless Steel Thermos. The second draw was attendee Frank Luther who picked a fishing rod and drew mail-in winner Nelda Swan of Kivalina. Telcom attendee Joe Bia picked a three-piece non-stick skillet set.

V. Approval of Annual Meeting Minutes of May 16, 2011

Judith Stein moved to waive the reading of the minutes of the Annual Meeting of May 16, 2011, seconded by Rodney Snyder. Motion passed unanimously.

Alice Sheldon moved to approve the minutes of the Annual Meeting of May 16, 2011, seconded by Pierre Lonewolf. Motion passed unanimously.

VI. Election of Two Directors - from District 1 (Ambler, Kobuk, Shungnak); and District 5 (Kotzebue)

Chester shared that members should have received a letter in January giving notice of the seats that are open for this year. Chester requested that Ann Sieh come up to the podium to explain the nominating committee process.

Ann informed the membership that in January they should have received a letter in the mail notifying them of the board seats

Annual Meeting Minutes,
Continued on Page 8...

that are up for election and the bylaw process; she also mentioned that in the February board meeting the board of directors selected members from the geographical areas (not less than 3 nor more than 9 members) to be part of the nominating committee. Ann then thanked the nominating committee members Pierre Lonewolf, Walter Banks, and Sophie Foster for meeting to make the selections. The committee then selected members of the cooperative that they thought might be interested in running for the two open board seats. Following that committee meeting she sent letters to the nominees; the nominees who accepted the nomination were listed on the ballot.

Chester informed the membership of the election of two directors and then read the list of nominees from the ballot that was mailed to all the members:

District 1 (Ambler, Kobuk, Shungnak) – Jane Cleveland, Incumbent (Ambler); Morgan Johnson (Ambler); Edward E. Gooden (Kobuk); and Wynona "Miki" Jones (Shungnak).

District 5 (Kotzebue) – Marie N. Greene, Incumbent.

Chester notified the members that he had to wait for one minute to pass and asked if there were any more nominations from the floor; hearing none, he requested a motion to close the nominations. Billy Lee made a motion to close the nominations, seconded by Rodney Snyder. Motion passed unanimously.

Chester asked if there any more ballots for the staff to pick up. He requested and received 8 volunteers from the membership to help Ann with counting the ballots.

VII. New Business

There was no new business.

VIII. Reports

A. Board

Chester then introduced the current board of directors: representing District 1 (Ambler, Kobuk, Shungnak) Jane Cleveland; representing District 2 (Kiana, Noorvik, Selawik) Gordon Newlin; representing District 3 (Buckland, Deering) Eunice Hadley; representing District 4 (Kivalina, Noatak, Red Dog) Larry D. Jones; representing District 5 (Kotzebue) Marie N. Greene; representing District 7 (Kotzebue) Lucy S. Nelson who is out on travel; and Chester L. Ballot, representing District 6 (Kotzebue).

Chester turned the meeting over to CEO Doug Neal.

B. Management

Doug welcomed all and thanked the board, staff and members who make OTZ work — which takes "a total team effort." He recognized Ann Sieh, Executive and Special Assistant to the Board of Directors for putting on the Annual Meeting. He explained that it is a lot of work and involves a ton of details and it takes many months and that, "Ann does it really well, and makes it look easy. And it really is not. ...And we're proud of her work."

He then went into his report sharing that many months ago we applied through the government a \$2.4 million loan that would allow us to build out our cellular network to all our villages. While our loan has been approved, we are still working through the paperwork process with the Federal Government, which takes additional time. In the villages of Kivalina, Noatak, and Kiana, we have installed antennas, run cable and have done all the necessary work to install cell switches. Once we get the loan documents closed out, we will be able to quickly install cell switches in these three villages and then begin work on installing switches for the remaining villages.

He finally informed the membership about the National Broadband Plan, commenting that over the past three years the Federal Communications Commission's (FCC) number one agenda item has been the National Broadband Plan. While this sounds good, it's actually quite harmful to little telecommunications companies like OTZ. As written, federal funding designated to keep wire-line and cell phone rates low in places like the Northwest Arctic Borough would be diverted to big companies like Verizon and AT&T so that

they can provide super-fast Internet to the suburbs. We at OTZ, and nineteen (19) other rural telecommunications companies similar to OTZ, have been working together to educate the FCC and obtain the USF funds that the FCC provides. We will continue to work with our congressional delegation, as well as the National Trade Associations and our State Government who have also been really active in Washington D.C. to solve problems with the National Broadband Plan. Again, Doug thanked everyone for being at the meeting on such a beautiful evening.

Doug then introduced Ben Phillips, our Outside Plant Manager.

Ben greeted the members, and informed them that he wanted to introduce the staff of the Outside Plant before presenting his report:

Don Smith, Purchasing Agent/Building Coordinator; Harold Lambert, Warehouseman/Expediter; Wilbur Karmun, Jr., Central Office Technician; Margie Ubben, Central Office Technician; Chandra Abeyratne, COE Administrator; Dan Schultz, COE Installer; Harry Baldwin, Foreman/Journeyman Splicer; Ricky Wells, Construction Foreman/Journey Lineman; Shaun Conwell, Install/Repairman & PBX Phone Systems; and Vernon Adams, Jr., Install Repairman. Our village representatives: Brian Cleveland of Ambler; Rudy Thomas of Buckland; Bruce Barr of Deering; Harold Ahwinona of Kiana; Danny Foster of Kivalina; Melford Booth of Noatak; Verne Cleveland of Noorvik; Sean Hoffman of Noorvik; Gary Jackson of Selawik; and Isaac Douglas of Shungnak. Our Engineers: Jeff Simpson of Mid State Consultants and Frank Simpson of St. Elias Communications.

Ben summarized the two big projects completed in 2011:

We installed a new Kotzebue Central office switch, now we are migrating from the old DCO to the new system.

We spent a whole year in Ambler rebuilding the outside plant and installing the poles, guy wire and strands. This year we will go back and plan to get the cable spliced up and completed.

He shared what is ahead: we are going to continue the migration from the old DCO switch to the new switch.

Three new switches to install:

- Ambler
- Kobuk
- Shungnak

Work to bring cell service to Kivalina, Noatak and Kiana.

Ricky Wells and Shaun Hoffman will be heading to Selawik to put in new housing cable.

Ben then introduced Carl Weisner, OTZ Telecommunications Operations Manager.

Carl thanked Doug and Ben. He greeted the membership and thanked them for coming out this evening. He then introduced his staff: Malinda Reich who is our Billing Clerk and our new hire, Caleb Crossan, who is a Customer Service Representative.

He then introduced the Internet Department: Mark Iten, our Network Administrator; Jason Nantelle, our Internet Systems Administrator; and Culum Campbell, our Network Systems Technician.

He shared a little bit about OTZ Telecom, which has three main operations: cellular, long distance and Internet.

He then shared his overview of 2011:

We started offering Statewide and Nationwide cellular plans.

We reduced our Long Distance rates to a flat .07 cents a minute from home phones, which is our cheapest rate ever. We have had our 14th Annual Shareholders Meeting with Telecom.

He presented some of the rate plans, such as the Aana and Taata plan; it's our least expensive plan. He explained the rates for the Alaska plans such as the Alaska 200 and Alaska 800; he also shared that we have Nationwide plans and we try to keep these rates down to make them affordable.

He informed the membership that if anyone did not have a free cell phone, and is a member of the cooperative in good standing, some phones were available at the meeting to provide an opportunity to have a free cooperative cell phone, with local calling.

OTZ Telecommunications also provides Internet service in Kotzebue: we have five different speeds from 256K[KL1] to 1.5 MB.

Carl then introduced Phyllis J. Ferguson, the Front Office Supervisor.

She introduced the front office staff: Cindy Fields, Billing Assistant and Selawik Representative; Grace Norton, Customer Service Representative for Kotzebue Residents; Hadley Ferguson, Customer Service Representative for Kotzebue Businesses; LeAnn Schaeffer, Customer Service Representative.

She shared with the membership that if they are looking for an easy way to pay phone bills one option is to go to our web page and sign up for EBill. She explained how to sign up online.

She also shared that members can sign up for Wireline Lifeline/Linkup Program for \$1.00 per month: a list of the qualifying programs is on our website at www.otz.net.

Brenda then introduced Accounting Supervisor, Brenda Schaeffer.

She greeted the membership, said hello to her parents, Paul & Gussie Norton in Noatak and everyone else listening in "radio land." She then introduced the Accounting Staff: Lucy Mae Lambert, Accounting Clerk who does our Payroll; and Donna McConnell, Accounting Clerk who does our Accounts Payables and Accounts Receivable.

C. Finance

Brenda then gave an outline of the financials for both OTZ Telephone and OTZ Telecommunications with transaction between the two companies eliminated.

She informed the members that the financials were audited by an independent public accounting firm audited the financials and gave them a clean rating.

She then went into the financial reports, informing the membership of OTZ's assets, liabilities, members' equity, statement of operations, operating revenues, total customers, total operating revenue, summary of significant cash transactions, and the summary that was in this year's annual report.

She then turned the meeting back to the President, Chester Ballot.

Chester thanked everyone for their reports, and commended Doug and the staff members for doing such a good job.

IX. Unfinished Business

There was no Unfinished Business.

Chester gave the membership an opportunity for questions and answers. Members were asked to please state their names for the record.

Kenneth Stein asked when we are going to get connected to the fiber optic cable. Doug replied that is a good question. There is a company that is trying to provide undersea fiber optic cable from Dutch Harbor on the haul road. As part of that, they are looking at making landings in Nome, Kotzebue, Barrow and perhaps other locations as well. He shared that they have been working at it for the past several years; we are working with them by writing letters of support for the undersea fiber optic cable. It's not funded yet, but it seems that it might get funded for various reasons. We would like to see it happen so that we can get off the satellite and provide faster Internet, and provide lower rates.

Pierre Lonewolf commented that KOTZ Radio appreciates OTZ Telephone and Telecommunications, because of their support for our Internet streaming, which feeds the translators in the villages. They are also a great big help when we mess up our computers.

Doug did share with the membership that after working many, many, many years, Chester Ballot is retiring in three weeks.

Chester then informed the membership that there would be some entertainment. He took the time to acknowledge two employees that he hired when he was a plant supervisor: Ben Phillips and Wilbur Karmun who are both still with us. He also mentioned he used to report to Marie Greene and said, "thanks for everything!"

Cindy Fields shared with the listeners on the radio, that if they had any questions or comments they can text Chester Ballot and Brenda Schaeffer. She then introduced our crew that entertained the membership: Margie Ubben, LeAnn Schaeffer, Grace Norton and Caleb Crossan.

After the entertainment, set to "King Tut" and other music, Chester informed the membership that there would be a five-minute

break to, "get up, stretch your legs and walk like an Egyptian!"

X. Election Results

Ann thanked the ballot counters: Frederick Oktollik, David Driggs, Iva Smith, Warren J. Karmun, Judith Stein, Red Seeberger, Lucy Shroyer and Suzan Howarth. Thank you all for helping out.

Chester introduced Iva Smith to present the election results.

Iva gave them as follows: District 1 (Ambler, Kobuk, Shungnak) – Jane Cleveland, Incumbent (Ambler) with 249 votes; Morgan Johnson (Ambler) with 82 votes; Edward E. Gooden (Kobuk) with 50 votes; and Wynona "Miki" Jones (Shungnak) with 63 votes; winner for District 1 is Jane Cleveland (Ambler). For District 5 (Kotzebue) – Marie N. Greene, Incumbent with 423 votes.

Chester thanked Ann, Iva and the ballot counters.

He then congratulated both Jane and Marie.

XI. Drawing of Door Prizes

Ann, Brenda and Carl volunteered to help with the final drawing. The drawing of door prizes was held and the following winners announced: attendee MaryAnn Wilson picked the 36-qt. Marine Igloo Cooler and drew mail-in winner Edwin & May Douglas of Kotzebue to receive the same prize, Telcom attendee Pat Chuaindhara picked the 36-qt. Marine Igloo Cooler; attendee Alvira Downey picked the 3-piece non-stick skillet set and drew mail-in winner May N. Howarth of Kotzebue, Telcom attendee Brenda Schaeffer picked a fishing rod; attendee Sheila Stein picked the 110-piece Home Repair Tool Set and drew mail-in winner Nellie M. Brown of Deering, Telcom attendee Zena Barr picked the 110 piece home repair tool set; attendee Helen Barger picked the 20 pc flatware set and drew mail-in winner Jason Nantelle of Kotzebue, Telcom attendee Suzan Howarth picked a sleeping bag; attendee Evelyn Karmun picked the sleeping bag and drew mail-in winner Mildred Black of Shungnak, Telcom attendee Vernon Adams Jr. picked the deluxe arm chair; attendee Mary Ann Wilson picked the Stanley stainless steel thermos and drew mail-in winner Edward Kootuk of Kotzebue, Telcom attendee Beulah Iplook picked the digital answering system w/keypad; attendee Lucy Mae Lambert picked the 6-piece glass mixing bowls and drew mail-in winner Oscar A. Greist of Shungnak, Telcom attendee Char Sours picked the 20-piece flatware set; attendee Sue West picked the 2-piece fillet knife set and drew mail-in winner Walter & Belinda Banks of Kotzebue, Telcom attendee Minnie Morris of Noorvik picked the 6-piece glass mixing bowls; attendee Linda Greene picked the deluxe arm chair and drew mail-in winner Pete & Polly Schaeffer of Kotzebue, Telcom attendee MaryAnn Wilson picked the 2 piece fillet knife set; attendee Dan Henry picked the KOTZ Radio goodie bag and drew mail-in winner Beulah Ticket of Kotzebue, Telcom attendee Alvira Downey picked 36-qt. Marine Igloo Cooler. The Grand Prize Drawing: attendee Gladys Nelson picked the 53 gals of stove oil and drew mail-in winner Maureen Nolan of Kotzebue, Telcom attendee May Thompson picked the 8 X 10 Hunters Special tent; attendee Pierre Lonewolf picked the 8 X 10 Hunters Special tent and drew mail-in winner Emma Berry of Shungnak, Telcom attendee Ray Coppock picked the 53 gals of Gas; attendee Lucy Mae Lambert picked the VHF Package w/base, power supply & antenna and drew mail-in winner Maureen Ticket of Selawik, Telcom attendee Ann Sieh picked the VHF Package w/base, power supply & antenna.

Chester asked the membership to give Ann a hand for the wonderful job she did. He then thanked Carl for the good job he did with the slide show. Thanks were given to the radio station for airing this annual meeting. Chester thanked Doug and his staff for a very good meeting and the wonderful job they all did to make the meeting such a success. Thank you Doug, Ben, Phyllis, Carl and Brenda for your reports.

Chester thanked all the attendees for coming to the meeting.

XII. Adjournment

Billy Lee moved to adjourn, seconded by Red Seeberger. The meeting adjourned at 8:26 p.m.



Thanks to Hadley Ferguson for 11 Years of Outstanding Customer Service.

Hadley Ferguson was hired on January 22, 2001 as a Customer Service Representative. She excelled in this role! Her duties included providing customer service for Kotzebue Businesses, OTZ's Rural Alaska Telephone Directory, Member's Capitol Credits and Delinquent Accounts. Hadley is a kind and helpful person who was always a pleasure to work with. In addition to doing her own job, she was extremely helpful to the front office staff and would readily cover the phones if they got busy or were short-handed. She brought a great attitude to her work and was a much-valued member of the OTZ team.

Hadley's last day with OTZ was December 24, 2012. In her letter of resignation, she expressed how much she had enjoyed working at OTZ: "Working with everyone at OTZ Telephone has been the best. I really appreciate how this company has stood by me through all the health problems I have had, especially in the last year but feel that it is time to hang up my phone & turn in my pen. I will really miss working with everyone and have a lot of good memories."

Thanks Hadley for all your years of loyal service to OTZ. We want to wish you all the best for the future.

We sure will miss you!

**OTZ Telephone
Cooperative, Inc.**

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